AFL WEEKLY NEWS SERVICE

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CONVENTION SITE.—San Francisco.—Civic Auditorium in the heart of San Francisco's municipal center will be the scene of the American Federation of Labor's 70th convention beginning Monday, Sept. 17. The building contains 11 meeting halls and was erected at a cost of $2 million. Its main arena will seat more than 10,000.

Get On Local Rent Boards, Green Urges Central Unions

BEFORE YOU PAY RENT HIKE, MAKE SURE THAT IT'S LEGAL

Washington.—AFL President William Green advised AFL members that the 20 percent rent increase provisions of the Defense Production Act does not mean an automatic 20 percent rent hike.

In a letter to secretaries of Central Labor Unions outlining a line of defense against higher rents under the weakened control law, Mr. Green said that probably the provision of greatest concern to trade unionists is the provision for a 20 percent increase in rents over the level of June 30, 1947.

"It should be clearly understood," Mr. Green said, "that this does not mean an automatic 20 percent increase for every tenant since most tenants have had increases since June 30, 1947.

"Actually, very few will be saddled with increases as high as 20 percent.

"Moreover, no tenant is required to pay the increased rent until the landlord has filed a sworn application with the local rent control office.

"The tenant has a right to appeal the increase at the local office if he thinks it is more than the landlord is entitled to under the law.

"To handle effectively rent control and other housing matters in your community, I urge your Central Labor Union to appoint a Housing Committee if you have not already done so. Please notify Harry C. Bates, chairman AFL Housing Committee, of any rent control or other housing problems that may develop in your community."

Cautions Tenants to Check Rent Raises Before Paying

Washington.—AFL President William Green urged all Central Labor Unions to get representatives on local Rent Advisory Boards.

He cautioned individual AFL members to make certain that their landlords comply with all the legal requirements under the 20 percent rent increase provisions of the new Defense Production Act before paying any higher rents.

In a letter to secretaries of Central Labor Unions, Mr. Green said:

"One important way to improve rent controls is through your local Rent Advisory Board.

"Re-examine your local board now. Find out if you have a labor representative, for you are entitled to one. All local Rent Advisory Boards should include one tenant representative, one landlord representative, and 3 in the public interest. One of the public interest members should be from labor.

"If there is no labor representative on your local board, take action without delay to submit your Central Labor Union nominations to the governor. Be sure to advise your State Federation of Labor and to notify Harry C. Bates, chairman of the AFL Housing Committee, of your action. You should also send a copy of your letter to Tighe E. Woods, Director of Rent Stabilization, Washington 25, D. C.

"Your governor nominates representatives to the local boards. He should designate candidates backed by labor in the locality. Take action on this matter now so that you will be sure of having labor's interests represented in the rent control program in your area.

"Another important change in the new rent control law is the provision making it possible to re-establish rent control in cities which have been decontrolled by action of their local governing bodies.

"Such moves for re-control should be sparked by labor organizations working through their Rent Advisory Boards which exist on a standby basis even in decontrolled areas. A standby board is ready at all times to become an active board when a city re-controls.

"If you live in a decontrolled city and do not have a standby board, you should write to your governor and ask that one be appointed. Tell him very plainly why it should be nominated.

"Even if your area was never under rent control, it may now be brought under control if it is designated by the Secretary of Defense and the Director of Defense Mobilization as a critical defense housing area.

"Areas previously decontrolled may be re-controlled on the same basis.

"If you are in an expanding defense area where rent controls are needed, you should immediately write to the Secretary of Defense and the Director of Defense Mobilization urging them to designate your area as a critical defense area."

Green Charges Congress Housing Bills Help Only Speculators

Washington.—AFL President William Green charged that the defense housing bill reported by the House Banking and Currency Committee and the one already passed by the Senate "will merely provide special assistance to private speculative builders of high-rent housing."

Unless the House bill is improved on the floor, Mr. Green said, "it will do very little to assure adequate housing for defense workers.

"Labor insists on realistic and conscientious action by the Congress before adjournment to provide for the critical need for housing defense workers and their families are facing right now."

The House bill provides 8,000 units of moderate rental housing. The Senate bill provided 5,000. The AFL asked 50,000 as the absolute minimum required to relieve the cruel shortage of housing facing thousands of workers and their families as they move into mushrooming defense areas.

40-Hour Week Best For Defense Work, Wilson Decrees

Washington.—The 40-hour work week is the most efficient for defense production.

Defense Mobilization Director Charles E. Wilson decreed that industry should endeavor to follow this schedule with premium overtime pay for work in excess of 40 hours per week.

His statements were indorsed by his 2 manpower committees, Labor-Management Manpower Policy Committee and Inter-Agency Manpower Policy Committee.

"Prohibition of overtime payment for workers, including those working in organized industries, would lead undoubtedly to renegotiation of most collective bargaining agreements, with accompanying tension and unrest and consequent loss of production," Mr. Wilson said.

Lengthening of working hours without overtime pay would increase absenteeism during the longer hours with no incentive premium pay, would prevent defense industries from attracting capable workers with the incentive of overtime pay for longer hours, and would hurt production rates, he said.

SALT UNION LABELED

Hutchinson, Kans.—The new roundcan label for Barton's Salt now bears the union label of the AFL International Chemical Workers Union.

Set Radio Time For Green-Meany

Washington. — AFL President William Green will deliver a Labor Day address over the National Broadcasting Company network, 10:45 to 11 p.m., Eastern Daylight Time, on Labor Day, Monday, Sept. 3.

AFL Secretary-Treasurer George Meany will make a pre-Labor Day speech over Mutual Broadcasting System network, 2 to 2:15 p.m., EDT, on Sunday, Sept. 2.

Mr. Green will address the International Labor Day celebration in Toronto, Canada, on Labor Day but no plans have been made yet to carry the speech in this country.

WSB Okays Living Cost Raises

New Wage Policy Waits Approval From Johnston

Washington.—A new wage policy giving blanket approval to cost-of-living pay increases was drafted by the Wage Stabilization Board.

The resolution, unanimously approved by the 18 labor, industry and public members, awaits approval by Economic Stabilization Administrator Eric Johnston before becoming effective.

The New York Times editorially said that the new policy is the natural outgrowth of Congress's enactment of the new Defense Production Act.

"For if you cannot go on discriminating between worker groups in wage policy, it is quite obvious that you cannot discriminate between prices and wages, granting elasticity to the one and withholding it from the other," The Times said.

By its action WSB takes into account 3 types of contracts:

1. Those with escalator clauses in effect prior to Jan. 25, the wage-freeze date. These clauses had been extended to July 1 and are now further extended.

2. Those who now wish to include escalator clauses in contracts. The board will approve those which make provision for the increase in living costs but no more.

3. Those who may wish to relate wages to living costs but who prefer not to have escalator clauses. This covers contracts where employers and unions have reopening clauses which allow wage rates to catch up to living cost advances but without being committed to automatic rises and drops.

Under the proposed regulation the board would permit living cost advances to begin from the date of the last contract instead of the Jan. 15, 1950, date of the previous regulations.

WSB Chairman George W. Taylor said that this would tend to pressure the relationship between wages and living costs that existed at the time the last contract was made. He added that there was no change in Regulation 6, which gave automatic approval to 10 percent increases above those of January 1950.

The board had no figures on how many employes might be affected by the proposed policy. Dr. Taylor's guess was that about 25 percent of the country's wage earners had not received a 10 percent increase over pay of January 1950.

Dr. Taylor declined to predict what action Mr. Johnston would take on the board proposal, but he stressed that it had been endorsed by all 18 members.

"If prices are stabilized there will be very little movement in wage rates under our cost-of-living resolution," Dr. Taylor explained at a news conference. "On the other hand if prices are not stabilized wages will move up also under the action taken by the board."

6 Areas Listed Short of Labor

Washington.—Six major defense production centers have been designated as areas of labor shortage in a fully classification of 166 labor market areas by the U. S. Bureau of Employment Security.

In 4 of the 6 tight areas—Hartford, Conn.; Wichita, Kans.; Indianapolis, Ind., and San Diego, Calif.—expansion in aircraft plants has been a significant factor in depletion of labor supply.

In another, the Davenport-Rock Island-Moline area, past and anticipated increases in the dominant machinery industry plus gains at a government arsenal are responsible for the area's labor shortage designation.

In the other tight area—Aiken, S. C.-Augusta, Ga.—construction activities connected with the Savannah River atomic energy project have created a tremendous labor demand which cannot be met by local labor supply.

Secretary of Labor Maurice J. Tobin said the July classification of areas had been made in accordance with a revised classification structure designed to measure the adequacy of each area's local manpower supply, in relation to its existing and anticipated manpower requirements. These classifications, Mr. Tobin added, will serve as one guide for the introduction of manpower programs.

"UNION MAID"

"If she worked in a union shop, she could stay for a full two weeks vacation . . ."

Washington.—One of the new Union Maid cartoons distributed to labor newspapers by AFL News Service.

Iowa State Fed. Asks Fair Taxes

Des Moines.—The executive board of the Iowa State Federation of Labor urged that Congress should establish a tax program based on ability to pay.

The board approved a resolution approving the proposed pay increase for federal government employes, because "the spiraling cost of living has decreased the purchasing power of federal government employes to a critical point."

Earl J. Baum of Keokuk, Iowa, was unanimously elected secretary-treasurer of the State Federation to replace J. J. Brown of Dubuque who died recently.

United Labor's Declaration

Washington.—Text of the United Labor Policy Committee's declaration, condemning the new emergency controls law, follows:

The new Defense Production Act is a disgraceful surrender to those who stand to profit from inflation.

It represents a callous betrayal of the consumers of the nation by the reactionary coalition which rules Congress.

At a time when America is marshalling its strength for defense against the enemies of freedom, the coalition has struck a dangerous blow at our national economy.

In the months ahead, this no-limit-to-prices bill may prove as harmful to the nation's defense effort as the dropping of an enemy atomic bomb upon our territory.

The best claim that can be made by the supporters of the Swiss-cheese collection of loopholes and special-interest exemptions finally approved by Congress, is that it is better than no controls at all. Even that claim is open to question.

By dumping the bill in President Truman's lap at virtually the last moment before present controls expire, Congress intended to leave the President no option but to sign it.

However, he does have an option. He can veto the bill and call upon Congress for immediate passage of another stopgap extension of the present law until a better long-term statute can be enacted.

If the President feels there is even a remote possibility that such a course will succeed, the United Labor Policy Committee will support a veto and devote all its efforts toward obtaining passage of a real anti-inflation law from Congress.

If the President decides, however, that the nation can expect no better legislation from the 82d Congress, then the United Labor Policy Committee feels that he should explain to the American people in the clearest possible terms how shamefully and how wickedly the congressional coalition sold them out to the special interests.

And the United Labor Policy Committee urges the President to renew his demands upon Congress for saner, wiser and more effective action to combat inflation.

Almost a year ago, when the original Defense Production Act was adopted, American labor protested vigorously against its obvious weaknesses. We carried on an unceasing campaign to strengthen the law. Instead, the congressional coalition has written guaranteed inflation into the new law.

It will not protect consumers—whether they be small businessmen, small farmers, workers, pensioners or professional men. It will benefit only big industry and the big corporate farms which have reaped the biggest profits in history during the first year of the present inflationary spiral.

The effects of this Defense Production Act may be temporarily hidden by the present lull. But let us not be fooled: inflationary pressures will continue to plague us—of that we can be sure—regardless of the outcome of the Korean negotiations. A year ago, military production was 4 percent of our total output; today, it is 8 percent; a year from now, it may well be 16 percent or 18 percent. That will mean fewer consumer goods, and even greater pressure for higher prices. At that time, the American consumer will find in the Defense Production Act not protection but the certainty of still higher prices and greater hardship.

No alibis by the special-profit interests and their puppet representatives in Congress can obscure the failures of this ineffective law:

1. The Defense Production Act offers no promise whatever of firm price controls. Sensible, workable, dollars-and-cents price ceilings are forbidden. Stabilization is made impossible by cost-plus-profit guarantees.

2. The new act shuts the door on effective price controls ever food by banning rollbacks and authority for future food subsidies.

3. The act specifically removes the government's power to roll back meat prices and, by prohibiting slaughtering quotas, invites a nation-wide black market.

4. The act makes impossible effective enforcement of the few price control powers which the law does permit. It would deny the Office of Price Stabilization sufficient power to stop black-market operations or punish willful violators of government price regulations.

5. The new act makes no provision at all for holding down the price line through quality controls; grade labeling; control of production of high-price lines of merchandise as substitutes for cheaper goods; or restriction on existing exemptions from the law.

6. The act guarantees fat profit margins for manufacturers—at the expense of the consumer the law is supposed to protect.

7. The act guarantees increased rents—whether justified or not—for millions of tenants, thus forcing further increases in the cost of living.

8. The act contains no prohibition against speculation on the nation's commodity markets — speculation which contributed heavily to the inflation of the past 12 months.

9. The act prohibits the President from authorizing the construction of defense plants in areas where private industry refuses to do so in the national interest.

This bill of particulars—and it barely skims the surface in listing the weaknesses of the Defense Production Act—shows why American citizens can put no faith in this ineffective measure.

We offer our praise to the courageous minority in Congress who fought so valiantly to write a bill in the public interest. We commend President Truman, Defense Mobilizer Wilson, Economic Stabilizer Johnston, Price Stabilization Chief DiSalle and the other public officials who worked earnestly to win from Congress a stronger anti-inflation law.

We recognize that if not for their efforts and the activities of labor and consumer groups, the Congress coalition would have enacted an even worse law.

We pledge our untiring efforts to expose the record of those congressmen who surrendered to the special profit interests in a time of national emergency, and to seek their replacement in the next election by legislators more conscious of the public welfare.

Text Of Truman's Statement

Washington.—Following is the text of President Truman's comments in connection with his signing of the new economic controls legislation:

I have reluctantly signed S. 1717, the Defense Production Act Amendments of 1951, which was passed by Congress yesterday.

Unless this measure had become law, the powers necessary for carrying out our defense program would have expired tonight.

This new act continues, with little change, the government's authority to control production, channel materials and aid business in the interest of national defense. To some extent, the new act strengthens these powers, particularly with respect to aids for small business.

The act also continues rent control and permits re-control of rents in certain critical areas. The production and rent provisions of the act are thus relatively adequate, though they do not meet all our needs.

But the inflation control provisions of the act are gravely deficient. If these had been the only provisions of the act, I would have vetoed it. We will not be able to hold down rising prices with this act, and I am going to ask the Congress to amend it to give us adequate controls.

This act will do great harm to our price and wage controls. The full extent of the damage cannot be determined until the executive agencies have had sufficient time to study the legislation in detail. Many of the new provisions are complicated and vague and it has not been possible, in the brief time since Congress passed the law, to estimate fully all of its effects on present price ceilings and on the administration of price control.

But it is already clear that the principal effect of the new amendments will be to raise ceiling prices for the manufacturer, the wholesaler and the retailer. Moreover, the act prohibits further rollbacks in the price of beef, and makes effective rollbacks on other vital cost-of-living commodities practically impossible. In general, the act will roll price ceilings forward from their present levels, pushing them up to heights that we cannot yet foresee.

Furthermore, the act greatly increases and complicates the administrative difficulties of price control. As a result, even after prices have reached the new and higher levels which the law requires, we may not be able to keep them from going still higher. One of the worst provisions of the act, the Butler-Hope amendment, wipes out slaughter quotas on beef, thus encouraging the return of black markets.

Another provision of the act which will operate against the interest of the American people is the Capehart amendment. This complicated amendment will force price ceilings up on thousands of commodities, all across the board. It is like a bulldozer, crashing aimlessly through existing price formulas, leaving havoc in its wake.

If we are to prevent the weakening of our economy, we must change these provisions and others just as bad. As soon as the executive agencies can complete their study, I intend to urge the Congress to revise and strengthen this law, point by point, to give us the tools we need to fight inflation.

I understand that several members of the Congress, recognizing the deficiencies of this act, have already introduced legislation to restore authority for slaughtering quotas. This is certainly a step in the right direction. But it is only one of the respects in which this law needs immediate improvement.

In future months, as our defense production takes a larger and larger share of our output, we have to expect that pressure on prices will increase. Only a tremendous drop in private investment or consumer spending could keep rising expenditures for defense from bringing on new pressures toward higher prices. And these pressures could be aggravated, at any time, by a change for the worse in the international situation.

To the extent that this act permits prices and the cost of living to rise, it will be necessary to allow reasonable adjustments in wages. We cannot ask the working people of this country to reduce their standard of living just to pay for the higher profits this act provides for business. And then we would be caught in another price-wage spiral.

If we are to prevent a serious drop in the purchasing power of the dollar, we must have a good, strong price control law to help us through the period ahead. Without that kind of law, we cannot protect ourselves from the frightful damage of renewed inflation.

S. 1717 is not that kind of law. It is a law that will push prices up. It is a law that will increase the costs of business and the cost of our defense program to the taxpayer. It is a law that threatens the stability of our economy in the future. Moreover, it prevents us from giving any further price relief to the millions of consumers already penalized by the price rises in the fall of 1950.

We should never forget that more than half the families in this country had no increases in income during 1950; some of them actually had their incomes reduced last year. To all these people, inflation is not a theoretical problem for the future, but a real problem and a terrible deprivation right now.

These families, and all our other families, need real protection against inflation. The government should not be able to give them such protection unless and until the Congress repairs the damage done by this new act.

RED TARIFF BENEFITS CUT

Washington. — President Truman formally proclaimed the suspension of tariff reduction benefits for the Soviet Union, its satellites and all other Communist-dominated territories.

The ending of reciprocal tariff cuts with the Communist countries actually will depend on the termination notices required by the individual agreements. But the machinery for the new stage of economic warfare against the Soviet bloc will be turned on Sept. 1, the date fixed by President Truman.

OPS OPPOSES RAIL FARE HIKE

Washington.—The Office of Price Stabilization protested that proposed commuter fare increases by the Pennsylvania and New York Central Railroads and 9 other eastern lines are "unreasonable and inflationary."

The price office said the railroads already were citing their increased costs and "alleged passenger revenue deficits" in asking a 15 percent rise in freight rates. If the commutation fare increase was based on the same increased costs, the agency said, it was "unjustified."

BITTER MYSTERY OF LIFE

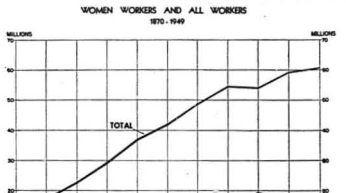
New York City.—Page Sherlock Holmes!

Long Island truck farmers dumped 1,000 bushels of fresh string beans into garbage heaps rather than sell them at a loss. They said their costs amounted to $2 a bushel.

The farmers said they couldn't understand why the dealers offered them a price amounting to only 3 cents a pound when string beans are selling in the retail stores at from 15 to 20 cents a pound.

For Labor Day Editions

EXCHANGE VIEWS ON WOMANPOWER.—Washington.—Dame Mary Smieton (right), undersecretary of British Ministry of Labor, exchanges views on women's growing role in defense efforts of Great Britain and the United States with Frieda Miller (left), director of U. S. Women's Bureau.



Washington.—This chart from U. S. Women's Bureau shows how number of women in the labor force has tripled since 1900. Total under present defense mobilization program is expected to reach new record of more than 20.5 million attained in World War II.

BACK LABOR

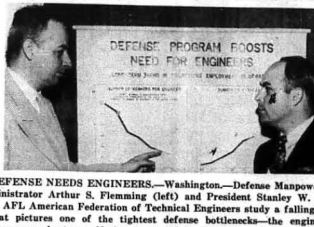
Blackpool, England.—Sir William Lawther, president National Union of Mineworkers and 1950 fraternal delegate from the British Trades Union Congress to the AFL Convention, approved the 15-year plan for reorganization and development of the nationalized coal industry.

Opening his union convention, Sir William said:

"It is the first attempt that has ever been made in Britain to provide a plan for this industry. We as miners know from bitter experience what Toryism meant to the miners and to the mining industry.

"There is no alternative—we will either go forward with labor or backward with Toryism."

Cost of Living Zooms Skyward Under New Law Condemned by Truman and Organized Labor



DEFENSE NEEDS ENGINEERS.—Washington.—Defense Manpower Administrator Arthur S. Flemming (left) and President Stanley W. Oliver of AFL American Federation of Technical Engineers study a falling curve that pictures one of the tightest defense bottlenecks—the engineering manpower shortage. Nation faces deficit of 60,000 engineers this year. Mr. Oliver is United Labor Policy Committee representative trying to increase recruiting and improve distribution of engineers.

New Deal Ruined Business Note: No Banks Have Failed in 8 Years

Washington.—The New Deal ruined business, drove us to socialism.

That's what the National Association of Manufacturers and U. S. Chamber of Commerce, Dixiecrats and Reactionary Republicans are preaching.

Maybe they mean like the Home Owners Loan Corporation, which closed up business the other week after lending billions of dollars to millions of home owners. HOLC turned back $8 million in earnings to the U. S. Treasury.

Maybe they mean like the Federal Deposit Insurance Corp. which has just made its annual report to Congress.

"The corporation has justified the vision and foresight of those who created it," Chairman Maple T. Harl commented in delivering the annual report for 1950.

"We are now in the 8th year during which there has been no receivership of an insured bank nor a penny's loss to any depositor in an insured bank."

The agency was set up Jan. 1, 1934. The purpose was to make sure that even if a bank got into difficulties depositors would be paid off, up to a total of $5,000 each. Banks participating in the system pay assessments into a deposit insurance fund. The limit on insured deposits has since been increased from $5,000 to $10,000.

In the 17 years before Federal deposit insurance began, there were 15,145 bank receiverships, Mr. Harl recalled. In the 17 years since, he said, only 245 federally insured banks have gone into receivership; another 170 have been aided financially by the insurance corporation to enable them to "merge with sounder institutions."

Mr. Harl declared "the last vestige of government subsidy" to the agency had been removed by payments of more than $370,000,000 to the Treasury, returning capital advanced to set it up and covering interest on this capital as well.

Taft Proposes to Change Own Law To Eliminate Union Shop Elections

Washington.—Some of the failings of the Taft-Hartley Act are now apparent to its chief sponsor, Senator Robert A. Taft, of Ohio.

He announced he will introduce a bill to eliminate the requirement for elections before employers and unions can negotiate union shop agreements.

This change in the law has long been desired by employers who have found from experience that their workers overwhelmingly favor the union shop in 99 percent of the elections held.

As it happens, the change is also supported at this time by the building trades unions of the American Federation of Labor because of a ruling of the National Labor Relations Board holding that building construction affects interstate commerce and is not exempt from this provision of the Taft-Hartley law.

The amendment proposed by Senator Taft also would validate thousands of union shop contracts which were held illegal by the National Labor Relations Board because of a recent Supreme Court decision. In these cases, involving mostly CIO contracts, non-Communist affidavits required by the Taft-Hartley Act had not been signed by top union officers.

Richard Gray, president of the AFL Building and Construction Trades Department, was reported to favor the amendment because the required union shop elections are wholly impractical in the building industry and would cause chaos in existing labor-management relations.

LABOR COMMENDS WILSON, JOHNSTON

Washington.—Defense Mobilization Chief Charles E. Wilson and Economic Stabilization Director Eric Johnston, relegated to the dog-house by their former big business associates because of their aggressive fight for an effective anti-inflation program, may take comfort from the fact that labor appreciates their service to the public, even though their cause was a losing one.

Wilson, Johnston, Price Stabilization Chief Mike DiSalle and the "courageous minority" in Congress who fought for an economic controls law in the public interest were "commended" along with President Truman in a statement issued by the United Labor Policy Committee.

LAUDS BEVIN

Whitley Bay, England. — General Secretary Arthur Deakin of the 1,300,000-member Transport and General Workers Union lauded the late Ernest Bevin, his predecessor and founder of the union, at the annual conference.

"Bevin was this union," Mr. Deakin said. "His was the creative genius and dynamic personality which welded together this union in 1922. That constituted the original amalgamation. He did a magnificent job of work."

Mr. Bevin, late foreign secretary for the British Labor Government, was a fraternal delegate from the British Trades Union Congress in 1915 and Mr. Deakin held the same honor in 1947.

90 MILLION WORKERS

Washington.—The U. S. Department of Labor estimates that the total labor force of the nation will be nearly 90 million by 1975, about 25 million higher than in 1950.

WSB Boosts Wage Formula As Living Costs Increase

BULLETIN—The Wage Stabilization Board unanimously recommended that wage increases be allowed for all workers to compensate for increased living costs.

Washington.—The government will be forced to relax the wage freeze because of expected increases in the cost of living under the new Defense Production Act.

President Truman plainly forecast such action in his official statement issued when he signed the new law. He said:

"To the extent that this act permits prices and the cost of living to rise, it will be necessary to allow reasonable adjustments in wages. "We cannot ask the working people of the country to reduce their standard of living just to pay for the higher profits this act provides for business."

However, even a change in the Wage Stabilization Board's 10 percent formula will fail adequately to protect the standards of workers. Nor will the operation of escalator clauses in contracts be able to maintain the purchasing power of the wage dollar.

In the first place, the WSB formula is merely permissive. There is no compulsion upon employers to grant increases permitted by the Wage Stabilization Board. So that even if the WSB increases the percentage of permissible wage increases, due to higher living costs, there is no guarantee that employers will comply promptly, if at all.

Secondly, the government's cost of living index lags behind the times, being normally more than a month behind current figures. Thus, escalatable and prompt adjustment of wages is delayed even under catch-up escalator clauses.

Finally, millions of workers and retired persons are forced to live on fixed incomes. This category includes government workers who must depend upon legislation to adjust their wages. It also includes workers under long-term collective bargaining contracts without reopening clauses.

As President Truman pointed out in his statement, increases in wages under the new law can be passed on by business to consumers in the form of still higher prices which, in turn, would require further wage adjustments.

"And then," said the President, "we would be caught in another price-wage spiral."

In any such situation, history shows that the workers and low-income families suffer most.

Green Urges Congress to Consider Broader Defense Housing Program

Washington.—AFL President William Green appealed to the House of Representatives for prompt enactment of an adequate, private-rental defense housing program. In a letter to Chairman Brent Spence of the House Banking and Currency Committee, Mr. Green said:

"The AFL is convinced that the defense production program cannot succeed unless steps are taken immediately to assure adequate housing and adequate community facilities in expanding defense areas. Unless adequate housing and community facilities are quickly provided in these areas, serious manpower shortages, which may drastically set back the defense production program, are inevitable.

"Workers will not go into mushrooming defense areas to live in shacks and hovels. They will demand —and have every right to expect— that they will be able to obtain decent homes, at rents they can afford to pay, in the communities to which they are recruited. They will also want to be certain that there are sufficient utilities, schools, recreational and other community facilities to make possible a decent, healthful environment for themselves and their children.

"Unfortunately, the Defense Housing Bill which has passed the Senate (S. 349) is entirely inadequate. This bill places almost exclusive reliance on a new program of extremely liberal federal mortgage insurance, the so-called Title IX program, which is intended to encourage private builders to build housing in defense areas. It is clear, however, that the rents under this program, ranging for a two-bedroom unit for $85 to $110 a month, will be far higher than most defense workers can afford.

"The Senate bill authorizes funds for only 5,000 units for the entire nation in government-financed defense housing projects under which substantially lower rents can be achieved.

"The only way of assuring decent housing to these lower income workers is through moderate rental housing financed by the federal government. It is our view that the Senate authorization should be increased to provide for at least 50,000 moderate rental units in government financed projects.

"Knowing the courageous leadership you have always given in the fight for decent housing for the American people, I am sure you will do everything possible to secure the enactment of a realistic defense housing bill assuring decent housing and adequate community facilities to workers coming into defense areas. Your help to this end will be greatly valued and appreciated."

CARROLL GIVES TO HEART FUND.—Washington.—President Thomas C. Carroll of the AFL Brotherhood of Maintenance of Way Employes (left) presents check for $2,138 donated by union members to Secretary of Labor Maurice J. Tobin for American Heart Association. Mr. Tobin is chairman of Heart fund's labor division.

New Fight Launched to Kill Bad Provisions of Controls Law

Washington.—The cost of living became a one-way elevator, "Going Up!" under the new Defense Production Act passed by Congress and "reluctantly" signed by President Truman.

The United Labor Policy Committee bitterly denounced the "no-limit-to prices" act and told the President organized labor would support a veto. The President announced he would have vetoed the act except for the fact that it extends vital powers to control production, channel materials and operate the defense program, which otherwise would have expired.

Seldom in history has a President so forcefully condemned a law he felt constrained to sign.

"It is a law," Mr. Truman charged, "that will push prices up. It is a law that will increase the costs of business and the cost of our defense program to the taxpayer. It is a law that threatens the stability of our economy in the future. Moreover, it prevents us from giving any price relief to the millions of consumers already penalized by the price rises in the fall of 1950."

As the United Labor Policy Committee recommended, the President promised to keep up the fight for better controls legislation. He supported a move in Congress to restore authority for slaughtering quotas to prevent black market in meat. He also urged action to repeal the Capehart amendment, which provides cost-plus-profit guarantees to industry. The President said if this amendment would crash through existing price ceilings "like a bulldozer."

Although the President refrained from public criticism of the reactionary Republican - Dixiecrat coalition which forced passage of the new law, the United Labor Policy Committee was not so reticent. It denounced the coalition for a "disgraceful surrender to those who stand to profit from inflation" and for "callous betrayal of the consumers of the nation." The committee charged that in the months to come the law may prove as harmful to the nation's defense effort as "the dropping of an enemy atomic bomb upon our territory." The committee pledged "unstinting effort" to expose the record of members of Congress who succumbed to special interest pressure and to seek their defeat in the 1952 elections.

Immediate effects of the new law were far-reaching, but gave only a hint of the disastrous price-boosting which appears to be inevitable in the months to come.

Landlords throughout the nation flocked into rent control offices throughout the nation seeking the 20 percent increases over the June 30, 1947, level authorized under the new law.

The Office of Price Stabilization was forced to issue orders increasing prices of thousands of items from canned fruits to metal castings. The OPS also cancelled two previously announced increases in prices forbidden under the new law. Those rollbacks would have reduced retail meat prices 10 cents a pound. Instead, the OPS announced increases in pork ceilings and an official of the National Association of Meat Processors and Wholesalers predicted retail beef prices would soon go up 5 to 10 percent.

Government economists foresaw boosts in bread prices from one to 3 cents a loaf; milk, at least one cent a quart and dry groceries, more than 5 percent. These were considered conservative estimates of immediate effects. In general, food prices are expected to rise about 10 percent.

Manufactured goods, in some lines, may not increase in price immediately because of surplus supplies with which merchants are overloaded. But the prospect over the next six months is for sharp increases, especially in automobiles. When the defense program begins to dominate life into production and force reduction of output of civilian goods, the market is definitely headed for the stratosphere.

NEW STOCKPILE AGENCY CREATED BY TRUMAN

Washington. — President Truman created a new independent agency charged with procuring and increasing the supply of critical and strategic materials at home and abroad.

The new unit will be called the Defense Materials Procurement Agency.

Labor in Iceland, Sky Road Station, Cleans Out Commies in 3 Years

By DAN SMYTH
Chicago Correspondent AFL News Service

Chicago.—In Iceland, pivotal North Atlantic sentry station on the sky road between the United States and Europe, the tiny Icelandic Federation of Labor is mopping up in its 3-year fight to regain control of its activities from Communists.

Finnur Jonsson, member of Iceland's Parliament, and Helgi Hannesson, president of the federation, told about it during a visit to Chicago by a 6-man delegation from the IFL under the technical assistance program of the Economic Cooperation Administration.

Iceland's labor federation includes 145 unions with some 25,000 members, about the size of the Chicago AFL painters' district council. Population of Iceland is 145,000. But Iceland's airport is one of the largest in the world, 2,600 miles from New York and 2,150 miles from Moscow by great-circle route.

"The Communists in Iceland founded their own party in 1930," Mr. Jonsson related. "They have some strongholds in the labor unions, and by their 100 percent meeting up on every occasion, they often seized power in unions even with a minority.

"By their internationally-known means, they got hold of the central committee of the IFL in 1944 and held it until 1948. In these years they used the IFL as much as possible for their own political means and ends."

Under leadership of the Labor party, the anti-Communist forces won 1948 elections to the General Assembly, which in turn picked an anti-Communist Central Committee, he continued. The majority had 151 votes and the Communists 109.

Since then the Communists have continued to decline in power in the federation but still control some local unions.

The union movement in Iceland is strong, and it is against the law to be a strikebreaker. By law every employer pays 4 percent of the laborer's wages for vacation expenses. Social security legislation has been in effect since 1945.

Urge Union Men On UN Day Groups

Washington.—The National Citizens Committee for United Nations Day, 816 21st St. N.W., Washington 6, D. C., urges mayors of cities over 2,500 to appoint members of trade unions to their community-wide committees to plan the observance of UN Day, Oct. 24.

The committee offers a pamphlet of suggestions for observance of the occasion, if your union is interested.

ICELANDIC LEADERS BROADCAST.—Chicago.—During their visit establishing labor relations between Iceland and the United States, Helgi Hannesson (left), president Icelandic Federation of Labor, and Finnur Jonsson, Social Democratic member of the Icelandic Parliament and chief of the Icelandic government, were interviewed over WCFL, radio station of the Chicago Federation of Labor.

MEAT CUTTERS NEW HOME.—Chicago.—Two employes each with 33 years service, Miss Florence Murray and Mrs. Margaret Mangan, helped President Earl W. Jimerson of the AFL Amalgamated Meat Cutters and Butcher Workmen's Union cut a ribbon opening this new $500,000 white limestone home, 2800 North Sheridan Road.

SCALES RISE

Washington—Hourly wage scales of union construction trades workers advanced 2 percent during the second quarter of 1951.

The U. S. Bureau of Labor Statistics estimated the average hourly wage scale of union workers in the construction trades on July 2, 1951, was $2.43; 5 cents above the level of April 2, 1951, and 22 cents above the January 3, 1950, estimated level of $2.21.

In the first 6 months of the current year, hourly scales of union building trades workers advanced 3 percent.

You're just kiddin' yourself if you think you can purchase nonunion goods and at the same time maintain union wages.

The guy who wrote "He profits most who serves best" was referring to union services.

CHEST HONORS AFL CARPENTER

Greenville, S. C.—George P. Bailey, president AFL Carpenters Local 1796 and the Greenville Trades and Labor Council, received a Red Feather from President Harold J. Weekley of the Greenville Community Chest and Council at the South Carolina AFL Convention.

The presentation was made in appreciation of the volunteer work performed by carpenters of Local 1796 at the Chest's new office.

The best defense program for American labor standards is to buy union-label products and to use union services.

HOUSE GROUP VOTES GOVERNMENT PAY HIKE

Washington.—Most Federal workers would get a pay rise of $400 a year under a bill approved by the House Post Office and Civil Service Committee.

All civil service workers, legislative employes, foreign service personnel, medical and surgical department employes of the Veterans Administration and employes of the judiciary would get the increase, effective July 1. The measure also would give the benefit to school teachers and police and firemen in the District of Columbia.

Rises for postal workers were also voted by the committee. Another bill approved by the committee would reclassify postmasters and postal supervisors to assure each of them an increase of at least $400.

Ever at a Loss For Words?

Chicago.—The AFL Amalgamated Meat Cutters and Butcher Workmen of North America are distributing 5,000 copies of the book, "Tributes and Forms for Public Occasions," by David Belson, New York attorney.

The book is a treasury of forms for frequently recurring occasions such as installation ceremonies, testimonial dinners, and the like.

"The Butcher Workmen" commented on the book:

"Never more need you have excuse to go numb when asked to say a few words at a meeting, nor is there reason to black out if you must send a brief telegram or message. This book is crammed with 136 pages of important messages and 1,632 separate situations which might call for words."

"Trouble is your union with Daddy isn't a Trade Union!"

Washington.—One of the new Union Maid cartoons distributed to labor newspapers by AFL News Service.

WSB Lists Offices And Directors

Washington.—The Wage Stabilization Board listed the location of its regional officers and directors where unions and employers may take wage increases to be processed and approved. The list:

Boston—A. Howard Myers, Room 808, 52 Chauncy St.

Philadelphia—John Perry Horlacher, Commercial Trust Building, 16 South Broad St.

New York—Arthur J. White, 1834 Broadway.

Richmond, Va.—George E. Strong, 21 East Broad St.

Atlanta—Dewitt Roberts, Room 302, 78 Marietta St. N.W., Rhodes Building.

Chicago—Samuel Edes, Room 1140, Builders Building, 228 North La Salle St.

Kansas City—Robert L. Howard, Grand Ave. Bank Building, 18th St. and Grand Ave.

Denver—Dr. Edward G. Allen, Film Exchange Building, Room 202, 2106 Broadway.

Dallas—Dr. Byron R. Abernethy, 315 Wilson Building.

Detroit—Meyer S. Ryder, Cadillac Square Building.

Cleveland—Parker Williams, Room 205, 830 Vincent St., Great Lakes Life Insurance Building.

Minneapolis—Ira Polley, Metropolitan Life Building.

San Francisco—Arthur N. Ross, Room 838, Flood Building.

Seattle—Leo Kotin, Room 615-17, 905 Second Avenue Building.

HITS RED GAG RULE

New York City.—Denunciation of the Communist nations for denying their people freedom of expression was voted in a resolution adopted by the executive board of the Radio and Television Directors Guild (AFL). The resolution added:

"As artists and free citizens of a democratic state, we condemn communism and all forms of totalitarianism without equivocation or reservation and hereby pledge our best abilities and utmost energies toward fighting these vicious influences wherever they appear."

City of Hope Opens New Cancer Wing

Los Angeles.—A significant milestone in the history of the City Of Hope national free non-sectarian medical center, Duarte, Calif., was passed July 2 with the opening of its new cancer hospital and research center.

Playing a major role in the development of the 29-year-old healing center have been many trade union organizations who have raised large sums of money to endow wings at this new addition, as they have done heretofore for the maintenance and expansion of the tuberculosis and chest-disease wings.

The cancer hospital's dedication was the high light of the City Of Hope national convention. Many prominent public officials, leaders of the medical profession, and spokesmen of the labor movement were present and paid tribute to the institution's devoted workers who are contributing so much toward the saving of lives and maintenance of the nation's health.

KELLEY NAMED

Boston, Mass.—Kenneth Kelley, secretary-treasurer Massachusetts State Federation of Labor, was named vice chairman of the panel on human resources of the Committee of New England created to revitalize New England's economic life.

Other members of the panel include Harold F. Reardon, Hyde Park, Mass., regional representative AFL International Association of Machinists, and Francis M. Schaufenbil, Lawrence, Mass., vice president, AFL Textile Workers.

WIN SCHOLARSHIPS

San Francisco. — Vice President George Hardy of the AFL Building Service Employes Union announced that $75 Charles Hardy Memorial College scholarships were awarded to Boris Bylinkin, 26, and Mary Okawa, 17.

Mr. Bylirkin is the son of Serge Bylinkin, member of Janitors' Local 87, and Miss Okawa is the daughter of Shuichi Okawa, also a member of Local 87.

Wear a Hat— Union Made

New York. — Vice President Nathaniel Spector of the AFL United Hatters, Cap and Millinery Workers, just back from Europe, proposed an international conference in Paris next December to promote the virtues of wearing hats by men and women.

Mr. Spector said he is alarmed by the "hatlessness" of Europeans.

"Such a condition is not only devastating for the hat workers and employers of Europe but it is also a threat to the gains we have made here."

A joint campaign by American hat and millinery unions and manufacturers 16 years ago tripled the volume of hats sold in this country.

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